

MIGRATION OF PAIN CLINICS



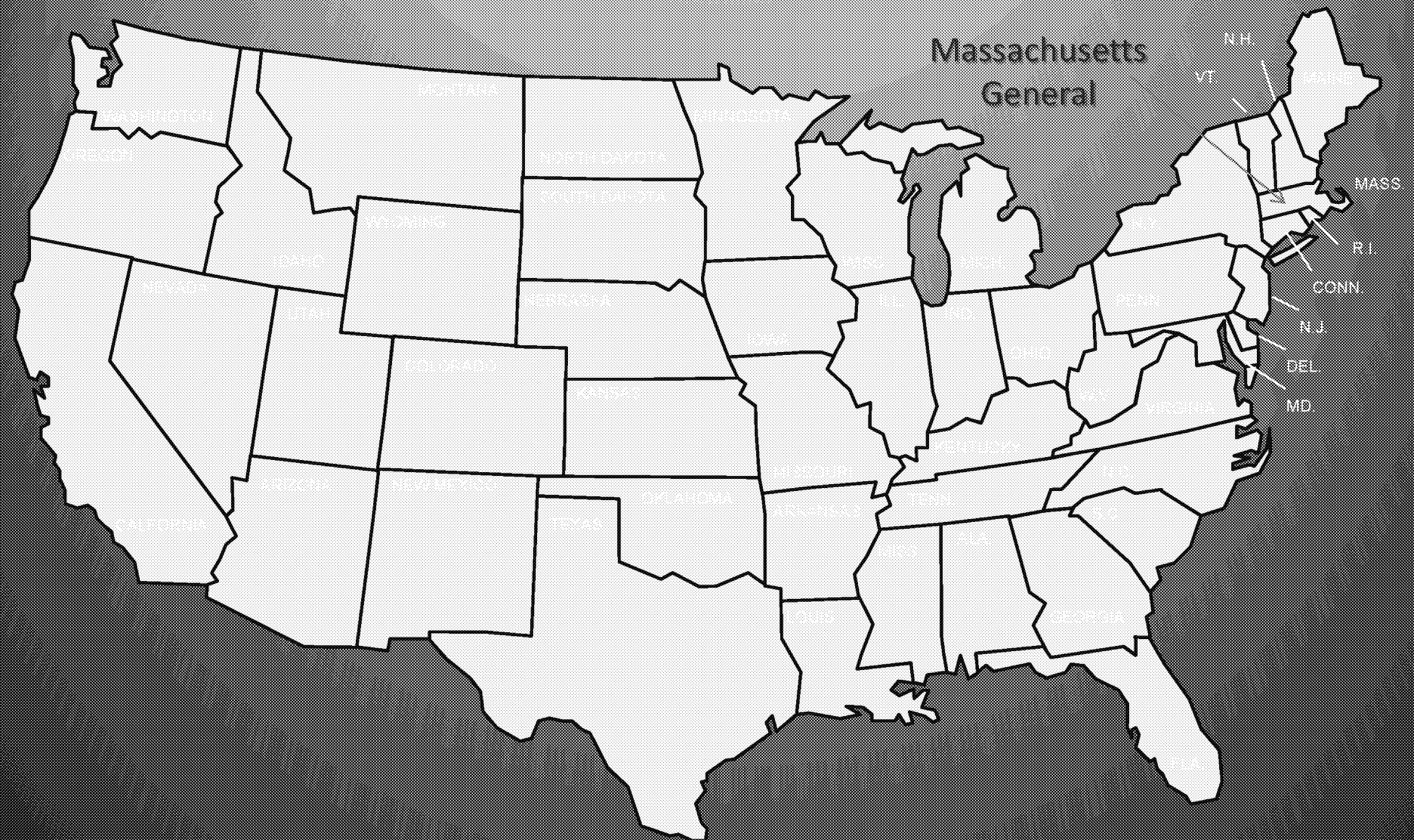
MIGRATION OF PAIN CLINICS



'The Florida Migration'

- Vast majority of 'patients' visiting Florida "pain clinics" come from out-of-state:
 - Georgia
 - Kentucky
 - Tennessee
 - Ohio
 - Massachusetts
 - New Jersey
 - North and South Carolina
 - Virginia
 - West Virginia

THE MIGRATION



THE MIGRATION



THE MIGRATION

Yale-New Haven
Hospital



THE MIGRATION

New York Presbyterian
Hospital



THE MIGRATION

Newark Beth-Israel
Hospital



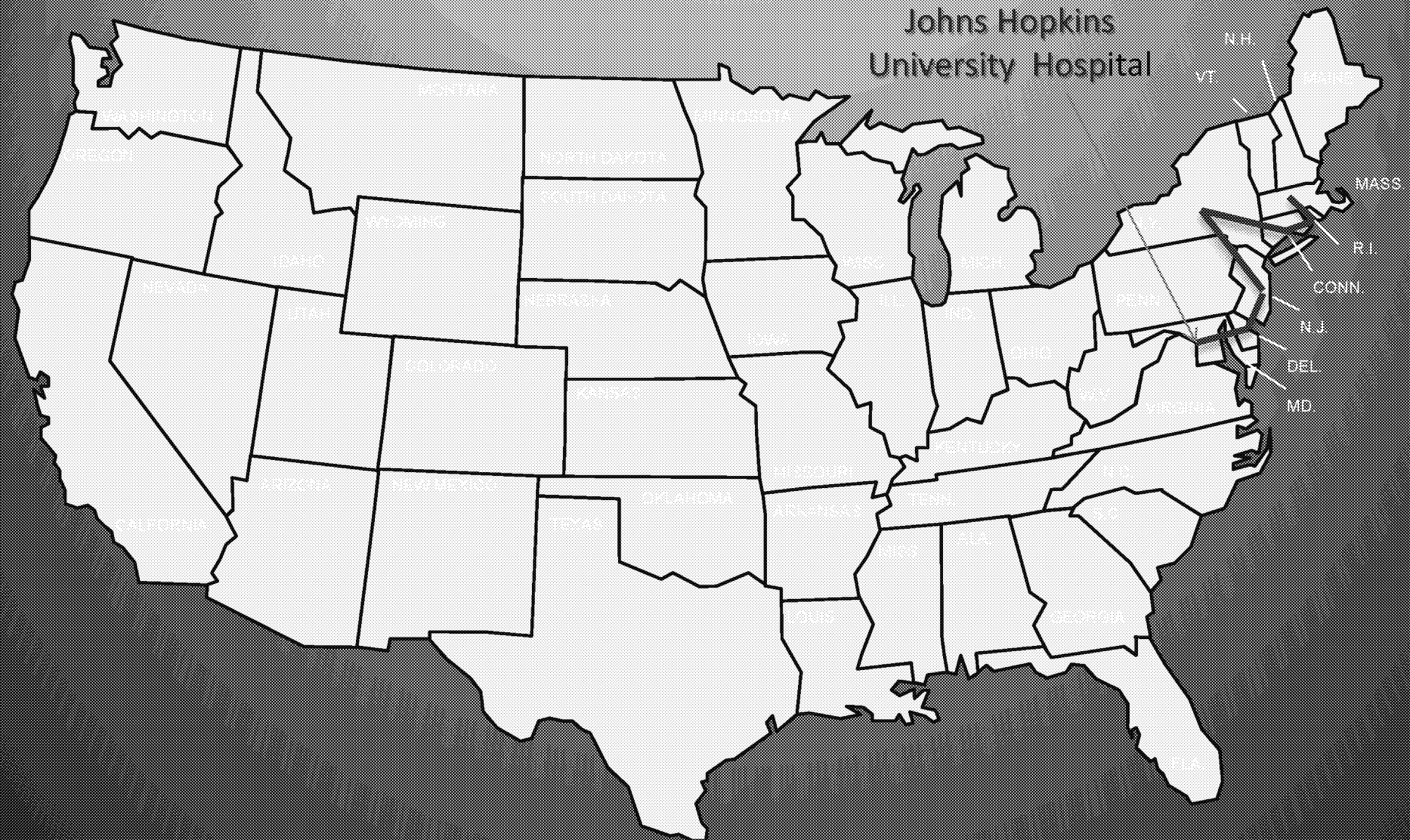
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University of
Pennsylvania
Hospital



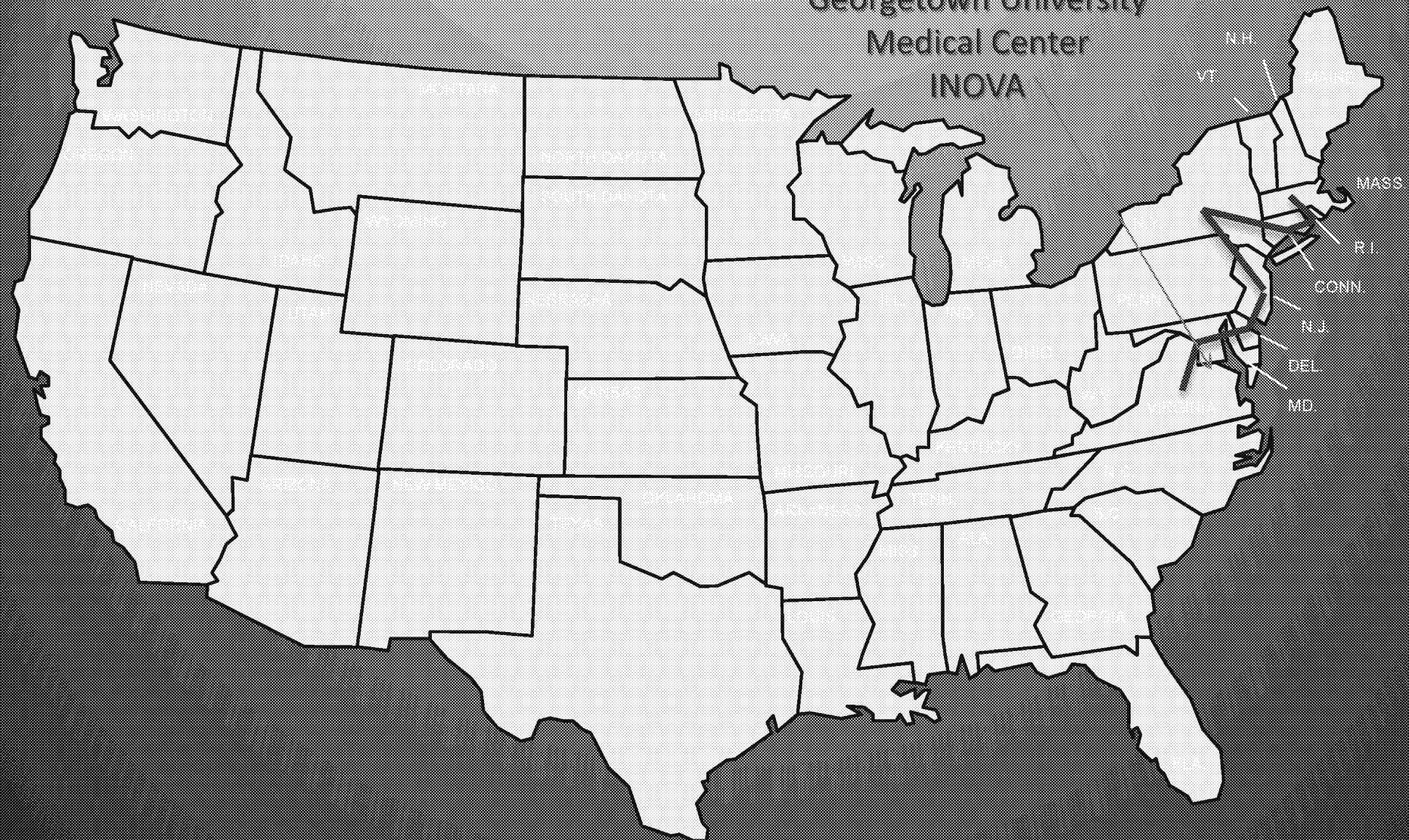
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Johns Hopkins
University Hospital



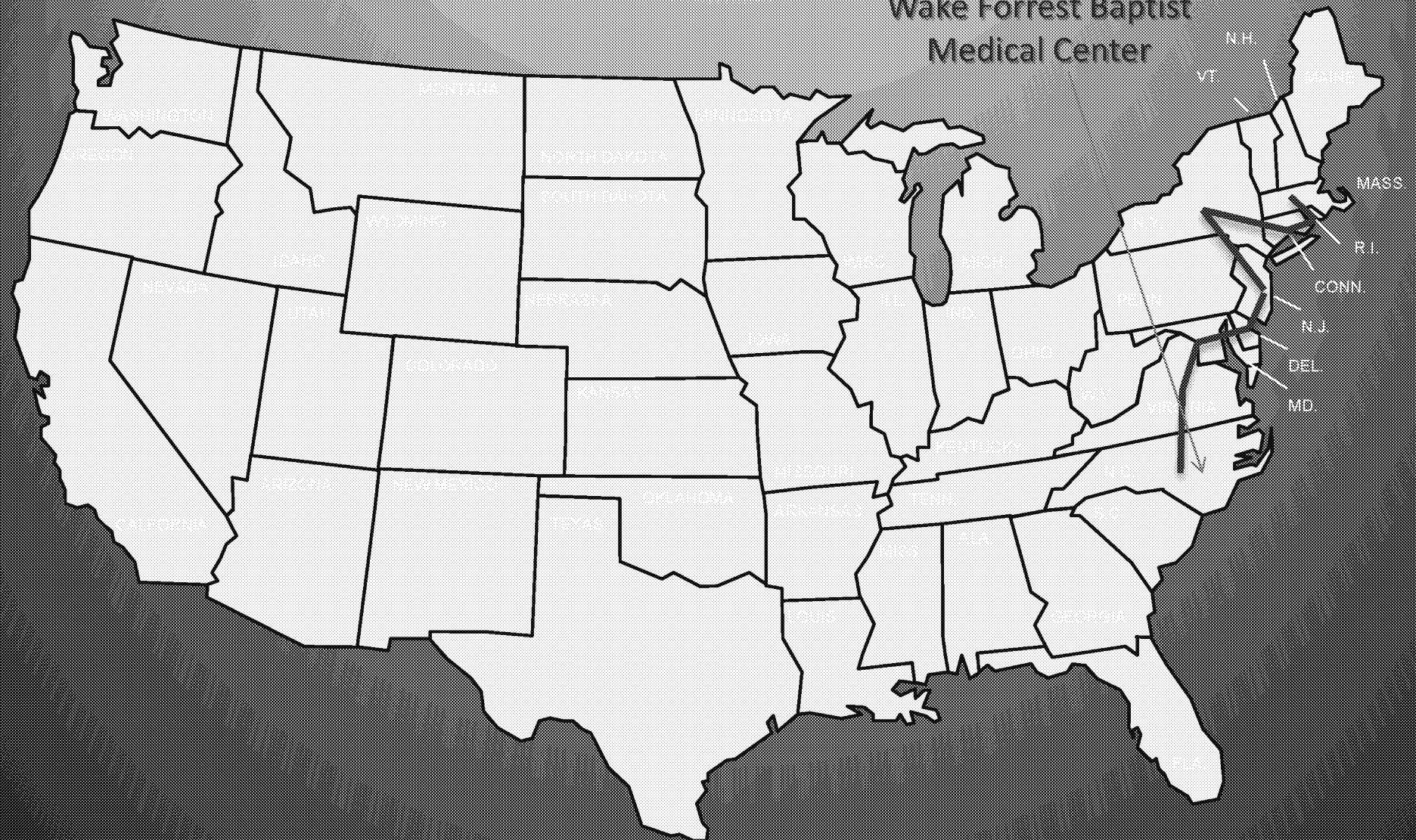
THE MIGRATION

Georgetown University
Medical Center
INOVA



THE MIGRATION

Wake Forrest Baptist
Medical Center



THE MIGRATION

Medical University
of South Carolina



THE MIGRATION

Emory University
Hospital



THE MIGRATION



Drugs Prescribed

- A 'cocktail' of oxycodone and alprazolam (Xanax[®])
- An average 'patient' receives prescriptions or medications in combination


Schedule II	Schedule III	Schedule IV
Oxycodone 15mg, 30mg	Vicodin (Hydrocodone)	Xanax (Alprazolam)
Roxicodone 15mg, 30mg	Lorcet	Valium (Diazepam)
Percocet	Lortab	
Percodan	Tylenol #3 (codeine)	
Demerol	Tylenol #4 (codeine)	

Average Charges for a Clinic Visit

- Price varies if medication is dispensed or if customers receive prescriptions
- Some clinics advertise in alternative newspapers citing discounts for new patients such as 'buy one get one free' or "50% off with this ad"
- Typically, initial office visit is \$250 or more; each subsequent visit may exceed \$200
- Prescriptions average 120-180 30mg oxycodone tablets per visit

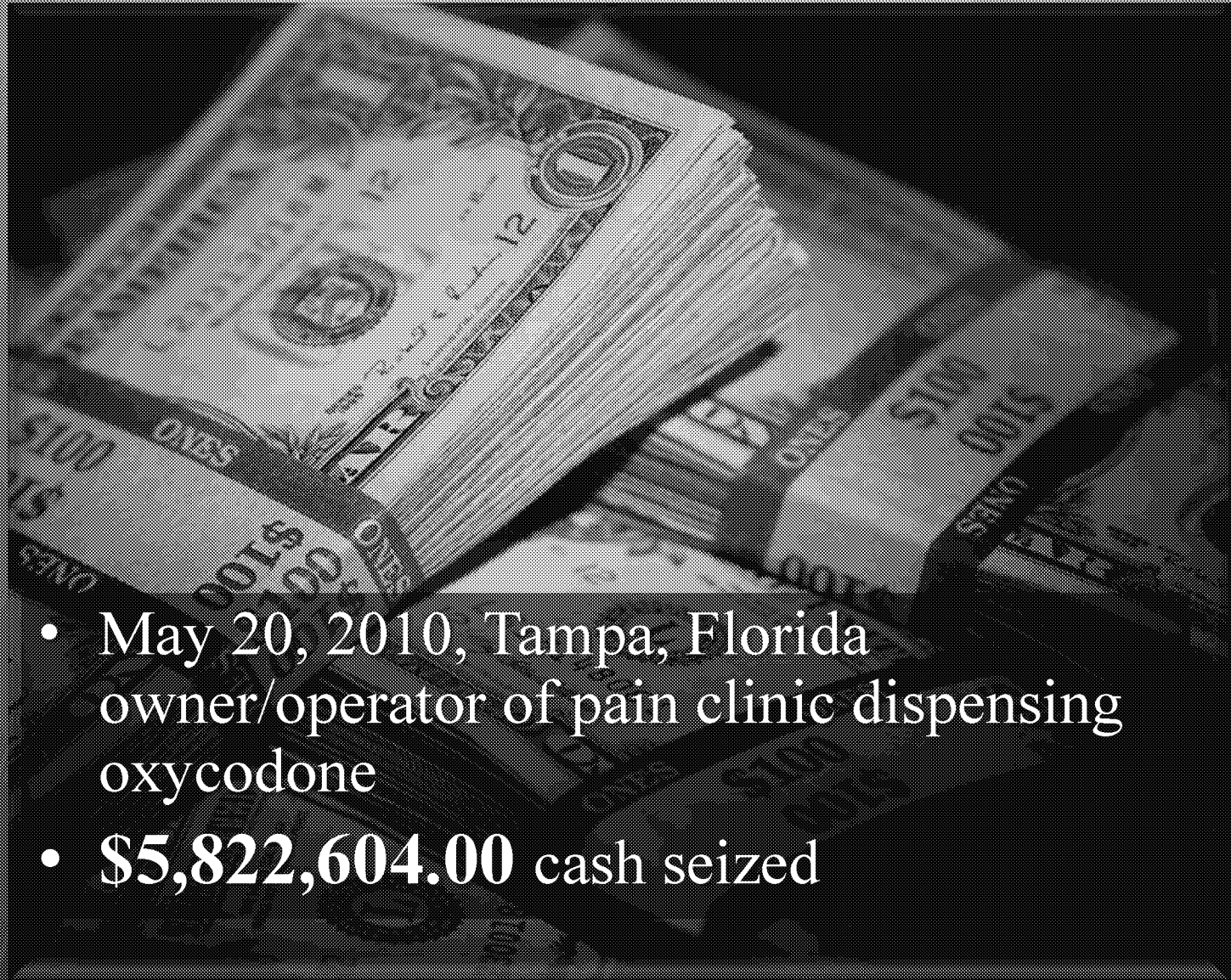
Cost of Drugs

- According to medical experts, most clinics do not require sufficient medical history and tests for proper prescribing of Schedule II substances
- Oxycodone 30mg immediate release tablets cost approximately \$30.00 to \$40.00 per tablet on the street depending on the sale location in the U.S. (\$1 per mg or more)



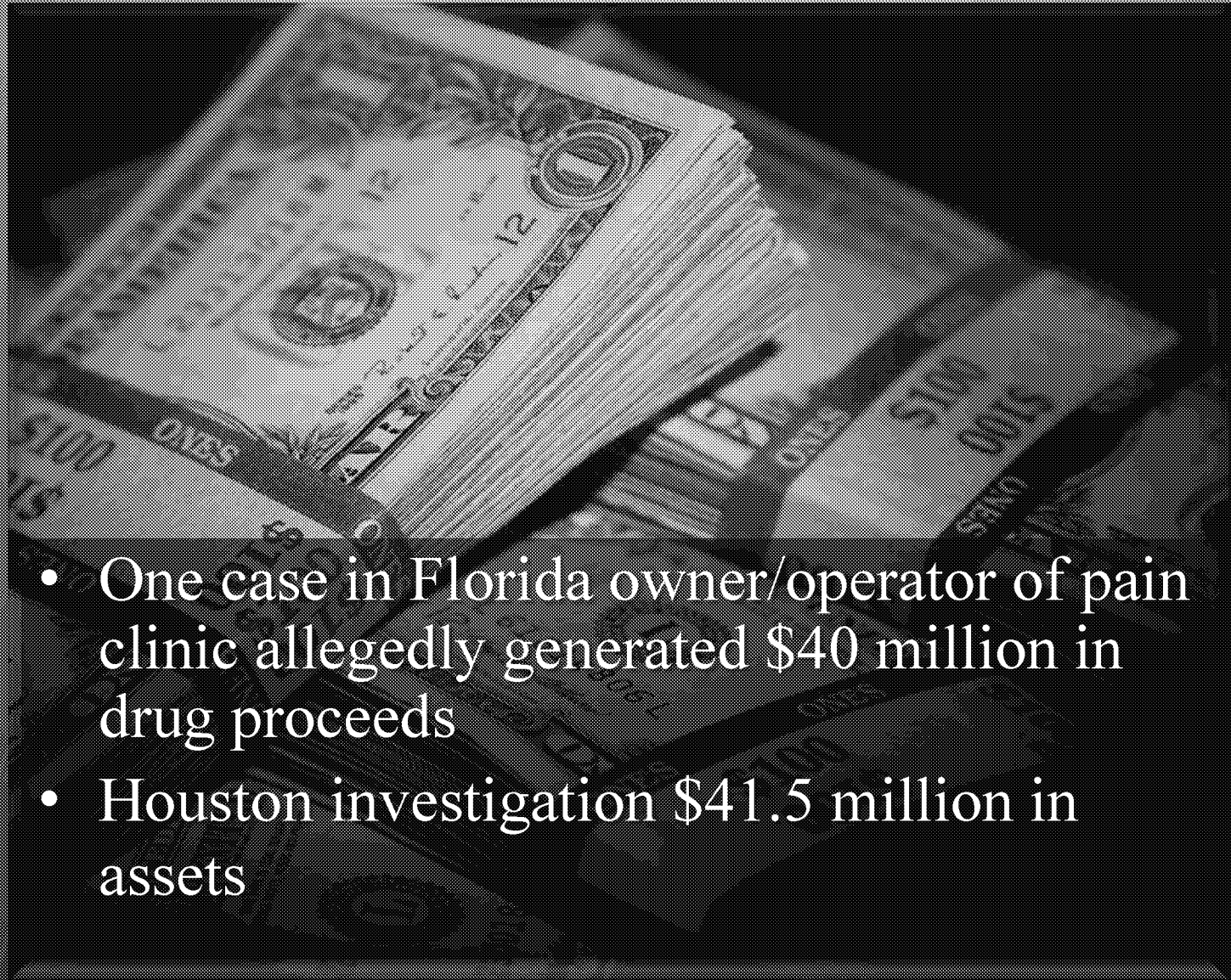
Why is this happening?

What's the Profit?



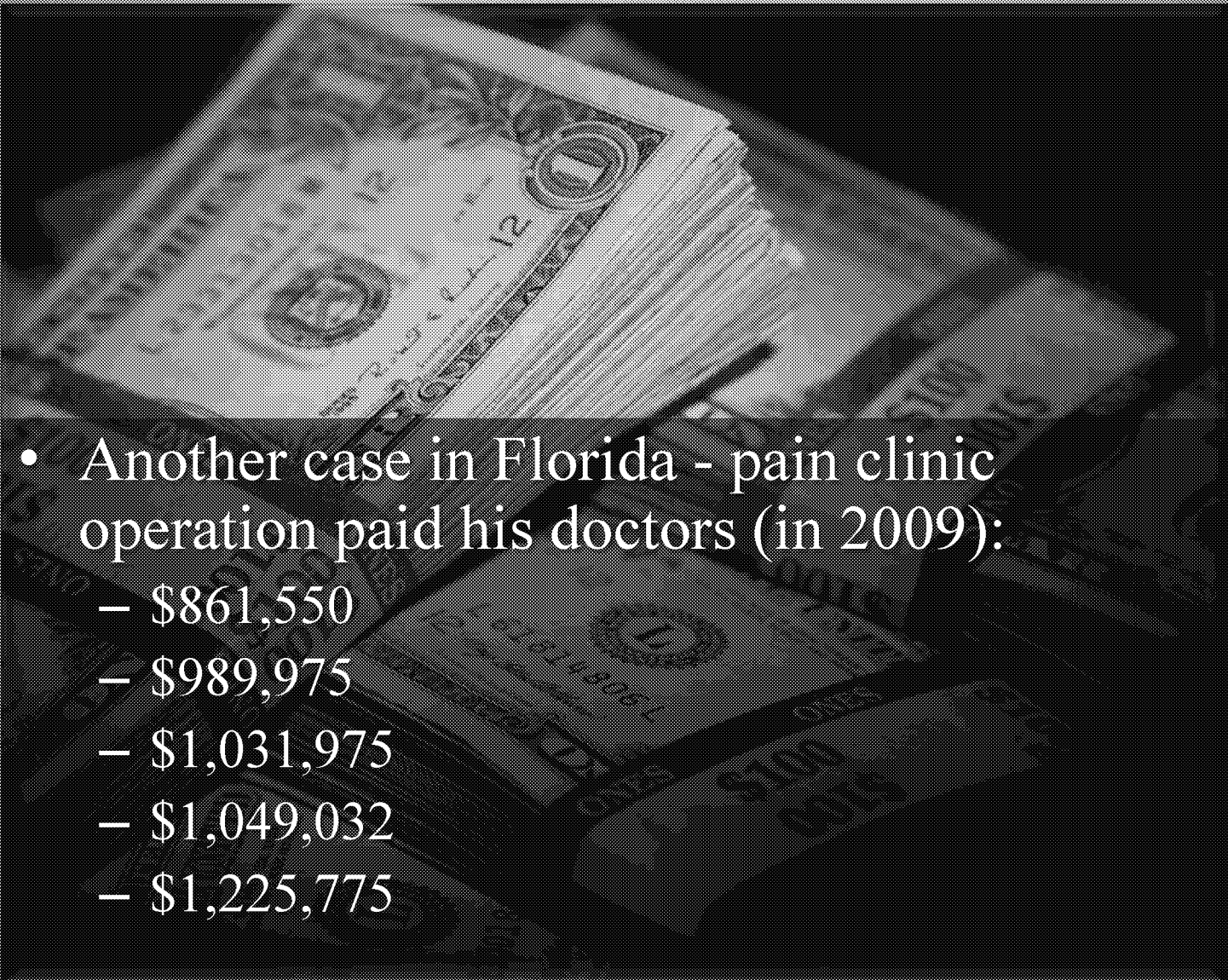
- May 20, 2010, Tampa, Florida owner/operator of pain clinic dispensing oxycodone
- **\$5,822,604.00** cash seized

What's the Profit?



- One case in Florida owner/operator of pain clinic allegedly generated \$40 million in drug proceeds
- Houston investigation \$41.5 million in assets

What's the Profit?

- 
- Another case in Florida - pain clinic operation paid his doctors (in 2009):
 - \$861,550
 - \$989,975
 - \$1,031,975
 - \$1,049,032
 - \$1,225,775

State of Florida Legislative Actions

- **Effective October 1, 2010**
 - Pain clinics are banned from advertising that they sell narcotics
 - They can only dispense 72-hour supply of narcotics
 - Prohibits the registration of pain clinics unless they are owned by physicians or licensed by non-physicians as a health care clinic

- **Effective July 1, 2011**
 - Clinics must turn over their supply of C-II and C-III controlled substances
 - Clinics are no longer able to dispense these drugs
 - Clinics cannot have ANY affiliation with a doctor that has lost a DEA number

Reaction

- Shift from dispensing physicians to prescribing physicians
- New pharmacy applications in Florida increased dramatically in 2010

Clinic response to the Florida legislation
prohibiting the sale of CS from pain clinics?

Buy Pharmacies!

Who is Applying?

- An individual who is tied to Organized Crime
- An individual who works at Boston Market
- An individual whose father owns a pain clinic
- An individual whose mother works at a pain clinic
- An individual whose father is a doctor at a pain clinic
- An individual who is a bartender/exotic dancer
- An individual who is a truck driver
- An individual who is retired from the dry wall business
- An individual who is a secretary at a pain clinic
- An individual who runs a lawn care business

Response

Enforcement and Regulatory Action

- Investigating/Inspecting all new and renewal pharmacy applications submitted in Florida
- Investigating/Inspecting existing pharmacies registrations
- Results
 - Withdrawal of applications
 - Orders To Show Cause (OTSC) issued against applications
 - Immediate Suspension Orders (ISO) issued as appropriate



The Last Line of Defense



Potential Red Flags

- Many customers receiving the same combination of prescriptions
- Many customers receiving the same strength of controlled substances;
- Many customers paying cash for their prescriptions;
- Many customers with the same diagnosis codes written on their prescriptions;
- Individuals driving long distances to visit physicians and/or to fill prescriptions;
- Customers coming into the pharmacy in groups, each with the same prescriptions issued by the same physician; and
- Customers with prescriptions for controlled substances written by physicians not associated with pain management (i.e., pediatricians, gynecologists, ophthalmologists, etc.).

Deaths Associated with Rx Drugs in Florida

Reports of Rx Drugs Detected in Deceased Persons and Cause of Death								% Increase 2005-2010
DRUG	2005	2006	2007	2008	2009	2010	2011	
Methadone	620	716	785	693	720	694	691	
Oxycodone	340	496	705	941	1,185	1,516	1,247	266.7% 
Hydrocodone	221	236	264	270	265	315	307	
Benzodiazepines	574	553	743	929	1,099	1,304	1,950*	
Morphine	247	229	255	300	302	262	345	
TOTAL	2,002	2,230	2,752	3,133	3,571	4,091		

* Many of the deaths were found to have several drugs contributing to the cause of death, thus, the count of specific drugs is greater than the number of cases. In report years 2010 and earlier, drug categories as a whole had included the total number of deaths per category, as well as total deaths per each specific drug. For example, in 2010, benzodiazepenes were the cause of death in 1,304 cases. However, benzodiazepenes were present 1,726 times in those 1,304 deaths (i.e., a single death could have been caused by multiple benzodiazepenes). Report year 2011 does not provide a total per category.

SOURCE: Florida Medical Examiner's Commission

National Association of Chain Drug Store Response

Patient Advocate, Healthcare Groups Urge Congress to Address Prescription Drug Diversion and Abuse
November 16, 2012

Alexandria, Va. – The National Association of Chain Drug Stores (NACDS) joined pain care advocacy and other healthcare organizations in urging Members of Congress to help address the problem of prescription drug diversion and abuse.

In a letter to the U.S. Senate Health, Education, Labor and Pensions (HELP) Committee, U.S. Judiciary Committee, U.S. House Committee on Judiciary and the U.S. House Energy and Commerce Committee, the organizations urged Congress to create a commission or advisory group to bring together all government agency stakeholders to address the problem.

The groups wrote, “[We] are committed to partnering with law enforcement agencies, policymakers, and others to work on viable strategies to solve the problems of prescription drug diversion and abuse. Although numerous groups and state and federal entities are working to reduce these problems, success remains difficult to achieve. One challenge is that many of these groups and entities are not working in a coordinated manner.” The letter emphasized the importance of reducing prescription drug diversion and abuse without negatively impacting legitimate patient access and care.

“While appropriate policies must empower law enforcement officials to act aggressively against individuals and entities actually engaging in diversion or abuse, diversion/abuse control actions must be balanced against the needs of healthcare providers to provide care to legitimate patients. We must ensure that legitimate patients receive critical medicines without interruption,” the groups stated in the letter.

In addition to NACDS, the following organizations signed the letter: American Academy of Pain Management (AAPM); American Society for Pain Management Nursing (ASPMN); Center for Practical Bioethics; Inflexxion, Inc.; International Nurses Society on Addictions (IntNSA); National Association of Directors of Nursing Administration in Long Term Care (NADONA/LTC); National Fibromyalgia & Chronic Pain Association; *Pain Treatment Topics*; Purdue Pharma L.P.; U.S. Pain Foundation, Virginia Cancer Pain Initiative Inc.

These groups are committed to ensuring patient access to medications they need to help manage their pain, ranging from a variety of health-related issues and diseases. This letter to Congress further stresses the need to find a solution for this problem – and to do so expeditiously.

“Due to the urgent nature of the problems associated with prescription drug diversion and abuse, the advisory group’s recommendations should be provided to Congress within one year of its creation or enactment,” the groups concluded in the letter.



Questions



Thank You!